

President's News Conference on Foreign and Domestic Issues

Following is a transcript of President Reagan's news conference last night in Washington, as recorded by The New York Times.

OPENING STATEMENT

Good evening. I have a brief statement to make. Before taking your questions, I'd like to touch briefly on two important issues.

First, the deadline for Americans paying their taxes — April 15th — is upon us in less than a week. April 15th is also the date that the Congress is required to complete work on a budget resolution.

Tens of millions of Americans will meet their deadline — they'll pay their taxes — even if they have to spend the entire week figuring out how much they owe. But will Congress meet its deadline for the budget resolution? We hear the same fat-tailed old argument that the American people are undertaxed.

Well, the American people are not undertaxed — but their patience is overtaxed. Today, taxes take the same share of the Gross National Product as during the 1970's. But Government spending as a share of Gross National Product has soared up and down.

So I urge the Congress to forget about raising taxes and concentrate on cutting the deficit. The only way of putting Government's financial house in order. And that'll help our economy and reduce the tax burden. I can't overstate this country's need for a quarter of a century.

Second issue is aid to the Nicaraguan freedom fighters. Two events in recent weeks have underscored the urgency of our aid request to the Nicaraguan resistance. First, the Nicaraguan Communists sent troops

into Honduras on a search-and-destruction mission to kill off the freedom fighters. Second, the Sandinista Communists torpedored the Contadora talks — talks conducted with 12 other Latin countries who seek peace in the region.

And these events demonstrate that the Nicaraguans are not interested in never make peace with their neighbors, or with their own people, unless the pressure on them increases. The Communists must realize they cannot crush their opponents, and our assistance can ensure that the freedom fighters are not crushed. That assistance will give Nicaraguans a chance, and it will give diplomacy a chance.

Well, the American people are not undertaxed — but their patience is overtaxed. Today, taxes take the same share of the Gross National Product as during the 1970's. But Government spending as a share of Gross National Product has soared up and down.

We must stick to this bipartisan strategy. This coming week, the House of Representatives will be called upon to maintain that tradition. Action now is essential. We cannot afford to let this country's need for peace not be held hostage to any other legislation.

Through its vote next week the House can show the world that the United States is determined to defend freedom in Central America. The House can also show the world that the Sandinistas are determined to make the region a Communist enclave. Well, must we let this violence not permit that to happen. Helen?

The broker Saratoga, which was in the Mediterranean last month when hostilities broke out with Libya. In his news conference President Reagan said Col. Muammar el-Qaddafi opened the hostilities "and we closed them."

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some very tough rhetoric about Qaddafi. Tonight you called him the mad dog of the Middle East. Do you ever wonder that perhaps you're giving him exactly what he wants — the recognition of the highest office in this land? A: You know, I've never used the word mad dog before, but I saw one of you using it on television tonight, and I thought it sounded good.

Limit on Weapons

Q. Mr. President, on the 20th of May when the new U.S. submarine goes to sea for the first time the United States will exceed the number of weapons allowed by the SALT II treaty unless you take two Poseidon class submarines out of service. Will you do that?

A. Bill, I am waiting right now — we've touched upon this and discussed it, and I'm waiting for reports on the actual violations of the SALT II treaty. I know that I set a policy some time ago that we would continue to observe the restraints of the SALT II treaty, but in keeping with whether the other signatories of the treaty did so also. Now there have — we know there have been violations, and we still have not come down hard on what balance is what and what we should do. But I am waiting for reports on the other signatories of the treaty. So I'm waiting. We've had a lot of other things on our plate so we just haven't made a decision on this yet.

Q. Sir, might you try what's being called a proportional response, which is to say instead of cutting up those old submarines just locking them up, which sort of walks the line between —

A. Bill, this is all the kind of thing we're talking about and we just have not made the final decision as yet.

Influence Peddling

Q. Sir, not just to beat up on Mike Deaver, but to beat up on the people who influence, either real or perceived, and some of them are doing it. I know that you've said that you have a quarrel — Angola comes to mind. What do you think about Washington P.R. firms trying to put the best foot forward for governments that we have a quarrel with?

A. Well, again, it's private enterprise. I guess in our country, it doesn't become my favorite person if they do that. And I wonder sometimes what their motives are or whether they fully appreciate the nature of their client. But there's no way that I think we should suddenly raise their taxes or something.

Decision on Shuttle

Q. Mr. President, you're going to also have to decide in the next few days whether to fund a fourth shuttle orbiter to replace the Challenger. Do you have a sense now of whether you might agree to do that, and if so how you would like to proceed with the Gramm-Rudman?

A. I'm going to wait until I see what the proposal is and what comes to me. I've been running and talking of this. I would hope that we could continue this. This was the request from every one of the families of those people who lost their lives on the Challenger — that we continue this program. And I said to them, that's all I can do. I wanted to do and would hope that we could do.

Q. If I could have a follow, sir. The one thing that has been requested by Senator Hollings to turn over the telephone logs of conversations between NASA officials and White House officials before the Challenger launch to determine whether there was undue pressure put on NASA to launch the Challenger. Do you agree that those logs ought to be given to the Senator?

A. I don't know, I'll look into that. I don't want to tell you that I'll look into that, but I'll look into that. I'll attempt to focus on it that somehow they were pressured to go off beginning with me, my nothing such thing. We've taken care of it. We know enough about that kind of thing to know whether we should advise them to take off or not.

Retailation Decision

Q. Mr. President, if I could bring your eye back to Qaddafi and the Middle East, there have been some reports today that say that you have already made a determination to retaliate and yet your remarks earlier you said any action that we might take would be dependent on what we learned. Do I take that to mean that you have not made any decision on retaliation yet?

A. This is a question that, as I say, is like talking about battle plans or something. It's not a question that I could answer except that you all know that you heard me on record for several years now that if and when we could specifically identify someone responsible for one of these acts, we would respond. And we're trying to do that. We're trying to do that, to find out who's responsible for a fine sergeant in our military dead and 50 young Americans lying in

a hospital wounded because of that dastardly attack in West Berlin. And if there's identification enough to respond, then I think we respond. And I've said that over and over again.

Q. If I may follow up, sir. There has at the same time been a lot of evidence, or a lot of finger-pointing, toward Syria but in recent months we have not heard anything that specifically targets the Syrians as being perpetrators of terrorism. Is there a reason for that? Is it possibly because we think Mr. Assad can help get the Americans out of Lebanon?

A. No, we would actually affect them and their well-being. But again, we have to deal with this terrorist problem. We cannot afford to believe that they can do this to the world.

Q. Mr. President, is the problem of terrorism so serious that it would be inappropriate to consider the lives of those few Americans in setting American policy?

A. Well, let me say that they would be a very great consideration always. It would be to be the situation, depending on what we all learned, that would lessen the importance of any American in view of the major threat and the people that we should be threatened. We're talking about the accumulation of evidence of specific acts that are threatened, and that then we can take action in advance, as I've said, we did last year 128 times, to abort those efforts. And this continues to go on. So we still believe we're going to get those hostages back.

A. I think I should — I've been kind of concentrating here on the center. Q. Mr. President, you said that your policy toward Libya has been too confrontational. President Carter described Col. Qaddafi as a polecat and said you don't need a polecat. What do you say to critics who say that military retaliation only begets more violence?

A. Well, I could answer the other thing, that there's another side of that, that if you don't do this and get away with it, and nothing happens to him, that encourages him to try even harder and do more. And everyone's entitled to call him whatever animal they want, but I think he's not a bad snail.

Q. Didn't the Gulf of Sidra suggest that perhaps military action there simply begot more terrorist response?

A. No, if we wanted to invent that as a provocation aimed at him, I've explained what that was — a practice drill that we've done for several years, a number of years before I came here, long before, those maneuvers held in the Gulf of Sidra since I've been here. And so he just had to invent that to get on the air.

Q. Mr. President, are we in a state of undeclared war with Libya? A. Not on his side, he's declared it. We just haven't recognized the declaration. I don't want to get into a war, I say, we're going to defend ourselves and we're certainly going to take action in the face of specific terrorist threats. All right, Andrea?

Low Oil Prices

Q. Mr. President, thank you. There's a theory that Arab oil producers are now driving down the price of oil in order to hurt their competitors, including American oil producers. Do you think there is such a thing as oil that's too cheap?

A. I have to say that while we've said that we believe that this whole thing with the oil prices should be based on a basis of free market, the market on oil is not completely free. There are some major producers of oil who are governments, and they're not completely free. And it's possible that what you want to keep your eyes open for, when you talk about hoping that this whole thing will be settled, the price of oil — is you can't ignore the possibility well maybe somebody would be driving it down to a point that they get rid of a lot of competition, and then they would do that. And I think that's the price would start going up again, as it once did when there was a very dominant voice and held on the oil market.

So when I say free market, and I really mean that, I at the same time mean that we must keep our eyes open to see that no one starts playing tricks for some kind of illicit future gain.

Q. To follow up, do you think we're sending him some American newspapers?

A. Now, I think his communication director said that certainly he is in the spirit of Geneva, and my response to him have been. So maybe he was speaking to a different audience at that time. But we're trying to go forward, and as I say, we're planning for a summit here.

I kind of were upset about the action with regard to the U.N., but that has been under consideration for a long time by us. The Soviet Union's delegation was bigger than the next two delegations in the U.N. put together, which includes ours.

Q. Are there a bunch of enough defectors that we were aware that they're all delegates to the United Nations? They had extracurricular activities that were not for our benefit.

Q. Can I just follow on that? What do you think the effect of future decisions, such as SALT II would be on the summit preparation? Do you feel in any way that your hands are tied on the SALT II decision which must be made by the end of 20 because of the summit preparations?

A. No, we're very much aware of wanting to keep these going and making sure that things are things we debated and discussed in the first summit meeting in Geneva in those days. And now I've been taking them up again in the next meeting trying to make some sizable and

realistic gains in lessening the tensions. It all comes under the head of what I told him when we first met, and that is that, and the quote that I used was that countries don't mistrust each other because they're armed. They're armed because they mistrust each other. And that what he's really saying is that, not words, that we could perform that would lessen that mistrust to the point that we could reduce these massive armaments.

Q. Mr. President, you obviously condone the use of violence for the freedom fighters in Nicaragua. Why then do you condemn the use of violence for people your State Department claims are freedom fighters inside South Africa?

A. We don't condemn. We're trying every way we can to try and bring about meetings of the leaders on both sides. We know that there are two factions in South Africa — in the government of South Africa. One of them stubbornly is holding to continuation of the past practices. The other, and this includes President Botha, wants change and has made a number — taken a number of steps, as many as he can get away with. It's just like me dealing with the Hill up here. Sometimes he can't get at the hill, but we are continuing to urge and made it plain, and I can tell you that he has agreed with us that he finds the past system repugnant and is trying to get changes as quickly as possible, and we're going to try —

Hostages in Lebanon

Q. Mr. President, do you have any concerns that the escalation of tensions with Libya and in that region may further endanger the American hostages still being held in Lebanon? And also, do you have any news about their well-being that you might share with us?

A. No, we have constantly been, contrary to what some people think, working on that very problem, and those hostages would never be over on our mind for a minute and our efforts have gone in every direction trying to get them out as fast as we can. The best that I can say to you is that, with all the information we have, it is that they are well.

But I would hesitate to think that anything that we might do in retaliation for terrorist acts now, these most recent acts, would actually affect them and their well-being. But again, we have to deal with this terrorist problem. We cannot afford to believe that they can do this to the world.

Q. Mr. President, is the problem of terrorism so serious that it would be inappropriate to consider the lives of those few Americans in setting American policy?

A. Well, let me say that they would be a very great consideration always. It would be to be the situation, depending on what we all learned, that would lessen the importance of any American in view of the major threat and the people that we should be threatened. We're talking about the accumulation of evidence of specific acts that are threatened, and that then we can take action in advance, as I've said, we did last year 128 times, to abort those efforts. And this continues to go on. So we still believe we're going to get those hostages back.

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Plans for Tax Reform

Q. Mr. President, as you said in your opening statement, it's budget and tax reform that the Republican leadership are warning that if the tax reform that you badly want to pass is not passed by the end of the year, it's going to take leadership from you to get the budget process moving. I'd like to know what are your plans for pushing the budget process?

A. I started pushing at about 9:30, last night, with the Republican leadership of both the House and Senate. And we're going to keep on pushing the tax reform in that direction. How many of you have made out your own tax forms yet?

Q. Have you?

A. No, I had someone else do it for me, but I have to tell you, I am more than ever convinced we must have reform, because when finally we saw it was all made out and I still didn't understand it.

Q. Sir, if I may, they say it's going to take compromise from you on the budget, willingness to come down on defense spending, something to get it moving. Are you willing to give up something?

A. Well, I'm a little annoyed with the fact that not too long ago the Congress of the United States and I agreed to a compromise of a sizeable cut that would leave us with zero growth and then 3 percent and 3 percent for the next two years following. Now they approved that. We gave a compromise but every time we make a compromise on defense spending, the Congress says well that's the part we start new bargaining from and we have so far, given up or reduced the budget \$294 billion over the next five years.

And in the world the way it is today and with the questions you're asking me about Gorbachev and summit meetings and so forth, I just think it's foolhardy to continue down that policy that the only way we can get savings. In my budget I asked for the elimination of 40 programs that I had the cabinet and the staff to run those programs believe we could well do without. And the only budget consideration now that's being given to, I think, maybe tentatively eliminate 3 instead of the 44.

But the problem with our situation, the deficit spending all is, is gone way beyond the growth of our economy. I had grown beyond the growth of the personal earnings of the people, even though last month they increased by \$19.5 billion dollars. And we just have to face it and unfortunately there's some people up there that for 30 years have been living in a world where they've been trying to tell it to you forever.

A. Thank you, Mr. President.

Baseball Jinx?

Q. I never did get it, was on my way back here.

Q. Are you the jinx that causes the Orioles to lose every time you show up for an opening game?

A. I feel that way. I've been there four times and they've lost all four games and I don't think I'm welcome back, Sam.

Q. Watch a Cub game next time? Q. How about the baseball team in Washington?

Q. Mr. President, may I tell you something that'll make your heart glow? One hundred and twenty-seven countries have a resolution to honor you about your leadership and this was done by Mr. Ben Peters who is the chairman and president of the International Body-Builders of — 127 countries. And I was asked to give you this message and I've been trying to tell it to you forever.

QUESTIONS AND ANSWERS

Libya and Terrorism

Q. Mr. President, do you have any evidence that Qaddafi is responsible for the recent acts of terrorism? And if you are contemplating major retaliation, won't you be making a lot of innocent people? I'd like to follow up.

A. Helen, we have considerable evidence over quite a long period of time that Qaddafi has been quite outspoken about his participation in urging us and supporting terrorism. It's a kind of warfare he has called it. Right now, however, I can't answer you specifically on this other because we're continuing our intelligence work and gathering evidence on these most recent attacks. And we're not ready to speak to you on the question that we might take would be dependent on what we learn and so I can't go further.

Q. Mr. President, I know you must have given it a lot of thought but what do you think is the real reason that American citizens are being held in terrorism? Could it be our policies?

A. Well, we know that this mad dog of the Middle East has been a part of world revolution, Muslim fundamentalist revolution, which is targeted on many of his own Arab compatriots and what we figure in that I don't know. Maybe we're just the enemy because it's a little like climbing a four-foot fence. But there's no question but that he's singled us out more and more for attack and we're responding. As I say, we're gathering evidence as fast as we can.

Q. Mr. President, Colonel Qaddafi threatened today to escalate the violence against American citizens and military targets throughout the world if his country is attacked. Does he have the ability to strike here on American soil?

A. Well, he has — we know that there are a number of his countrymen here in this country. He has threatened that he could call upon people to do that, and we certainly do not want that possibility. We have to be on the alert and on guard for anything he might do. He has threatened that he will bring that kind of warfare to our shores — directly here.

Of course it's kind of hard to keep your mind because of the explosion after this recent T.W.A. explosion he went on the air to state that this was an attack on innocent civilians and pure terrorism, and he wouldn't have anything to do with that. That's the same man who referred to the slaughter of the innocents in Rome and V-Slo airports as a noble act.

Q. So, I don't know whether you count on what he says for your real information. I think you just ignore that and go looking for facts.

Q. What precautions would you say Africa can take to prevent terrorist attacks at home?

A. Well we're doing everything that we can, and I think all of the law-enforcement agencies are alerted to this fact. And we're not entirely helpless, because, as I pointed out, we have some very good intelligence gathered in cooperation with our allies, we have aborted planned terrorist attacks that never took place because of our having the information in advance.

The Gulf of Sidra

Q. Johanna? How can you write with those mittens on?

Q. Mr. President, you have said that the Gulf of Sidra maneuvers were designed to protect U.S. maritime rights. As Commander in Chief, can you tell us what was strategically important about the Gulf of Sidra in particular, or the concept of freedom of navigation in general, that you would risk the lives of American sailors?

A. Well, we first came here, there had been a couple of years — that area of the Mediterranean, maybe because of its width and openness has long been the place that it's been chosen by our Sixth Fleet there for the practice maneuvers that it must continue to take. And those maneu-

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Q. Mr. President, the U.S. is once again asking the Western allies to join with you and isolate Qaddafi. So far they have expressed some Libyan diplomats in Paris and Bonn, but they've taken no economic sanctions in the wake of these recent attacks. How much of a disappointment is it to you that the Europeans have not followed the same recent attacks?

A. Well, we're continuing to communicate with them and talk with them, and when we could specifically identify someone responsible for one of these acts, we would respond. And we're trying to do that. We're trying to do that, to find out who's responsible for a fine sergeant in our military dead and 50 young Americans lying in

Q. If I could follow up? You've used